



NATIONAL CANCER INSTITUTE
NC - GFB

FEDERAL SECURITY AGENCY
U. S. PUBLIC HEALTH SERVICE
NATIONAL INSTITUTE OF HEALTH
BETHESDA 14, MD.

405121

July 30, 1951

Dr. Lawrence Tuttle
Division of Biology & Medicine
Atomic Energy Commission
Washington 25, D.C.

Dear Larry:

In accord with our telephone conversations regarding the letter of July 3 from Mr. M. W. Boyer, General Manager of the Atomic Energy Commission, setting forth the conditions under which funds from the Atomic Energy Commission would be transferred to the National Institutes of Health to reimburse us for project grants made in behalf of the Atomic Energy Commission for study of the effects of radiations on sub-human primates and on patients undergoing therapy, I shall outline below our comments on these conditions as an informal basis for reaching a satisfactory agreement. If you can secure, also, on an informal basis, advice as to the modifications that might be acceptable to the Atomic Energy Commission to permit reaching a satisfactory agreement, we shall be grateful. After you have reviewed these comments, Mr. Ernest Allen, Chief of Division of Research Grants of the National Institutes of Health, and I shall be glad to confer with you and your colleagues further so that the formal reply from the Surgeon General will be in a form that will not require further negotiation.

The following points in the terms proposed by Mr. Boyer are the ones which need further discussion. They are numbered to correspond with related items in the letter of agreement from Mr. Boyer.

1. We understood from our earlier conversations with the staff of the Division of Biology & Medicine of the Atomic Energy Commission that the intent of the Atomic Energy Commission was to provide not less than \$250,000 annually or such part of that sum as might be necessary to finance projects selected by the Atomic Energy Commission for support. The letter indicates a sum of \$100,000 for the year from June 1, 1951, through May 30, 1952, although the sum of \$250,000 annually is also mentioned in the covering letter. We assume that this confusion arose from the delay between the drafting of the letter of agreement and its signing on July 3, 1951, but it would be unfortunate to proceed on the basis of a misunderstanding. If the agreement is finally worked out on the basis of the points to be mentioned below, we would suggest that it include, also, a correction of this item.

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July 30, 1951 for a
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4. Capital (non-expendable) equipment purchased under a grant from the Public Health Service becomes the property of the grantee institution under our policy. We should like to have it understood at this time, rather than leave it for subsequent negotiation, that title to property purchased with grants administered by the Public Health Service for the Atomic Energy Commission will be vested in the grantee institution in accord with our present policy. (1)

7. The type of security provisions proposed in the letter of agreement are considerably at variance with the policy and practice of the Public Health Service research grant program. While we recognize that such provisions may be necessary for the operation of the Atomic Energy Commission research contract program, we are loath to enter into an agreement which would require the setting up of two differing policies of administration of grants under the Public Health Service. We feel that this would create misunderstanding and confusion among our grantees and, conceivably, cause a great deal of harm to the remainder of our program. (2)

We would suggest that, if it can legally be done under the controls that apply to appropriations for the Atomic Energy Commission, we be allowed to administer any grants financed by transfer of Atomic Energy Commission funds under the same procedures as apply to all other Public Health Service grants. We shall, of course, be glad to transmit to the designated representative of the Atomic Energy Commission copies of all reports from these projects and to have Atomic Energy Commission staff visit these projects to determine whether there are developments that should come under security restrictions. In case such are found, we shall be glad to transfer to the Atomic Energy Commission full administrative and financial responsibility for the further continuance of the project in accordance with any agreement the Atomic Energy Commission may wish to negotiate with the investigator and his institution. Actually, it would seem futile and an action after the fact to follow the proposed security provisions. These would require the handling of "restricted data" by uncleared personnel of the investigator's staff and institution as well as by our own uncleared staff and advisers before it was determined by the Atomic Energy Commission that they were "restricted data". Moreover, since it is not expected that "restricted data" (as defined in Mr. Boyer's letter) will arise from the type of research proposed, we are more than ever reluctant to impose this type of requirement so foreign to our program. Also, the type of procedure suggested would require negotiation after the award in terms not contemplated by the investigator who believed he was applying for a grant under the usual Public Health Service grant program policy. We feel this would have some elements of a breach of faith and might engender misunderstanding and possible ill will.

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July 30, 1951

8. Control of patents as now worked out for Public Health Service grants has proven relatively simple and satisfactory. We accept the statement of the principal investigator and grantee institution on the application form that they will inform us of discoveries or inventions of a patentable nature for determination by the Surgeon General as to disposition of them. In general, we would be reluctant to complicate or endanger our happy relationship with scientists and institutions by introducing requirements for special patent agreements to be signed by grantees and employees on grants of this special type. Of course, where there is definite prior evidence of patentable information likely to arise from the grant, appropriate action would be taken.

In summary, it is our present feeling that if the grants under consideration cannot be administered by the Public Health Service in the same manner as for the remainder of its grants program, it would be preferable to refer those projects in which the Atomic Energy Commission is particularly interested to the Atomic Energy Commission for contract negotiations in accord with its usual practice. We realize that this is less desirable in attempting to organize an integrated program than to have the whole program administered through one organization and that some of the integration may be lost thereby. Those of us most intimately involved in operations feel, however, that less would be lost than if the principles under which our grant program is administered were compromised.

With hope that you and your associates can suggest some happier method of cooperation in this joint enterprise, I am

Sincerely yours,

R. G. Meader

R. G. Meader, Ph. D.
Chief, Grants & Fellowships Branch

RGH:rl

05743 - Plan to Proceed

MEMO ROUTE SLIP Form AEC-93 (Rev. May 14, 1947)		See me about this. Note and return.	For concurrence. For signature.	For action. For information.
TO (Name and unit) Bugher	INITIALS CB DATE 8/2/51	REMARKS Readers points are well taken in the security respect we can have		
TO (Name and unit) E. Thompson Fgal	INITIALS DATE	REMARKS Consider that I think the satisfaction solution involved out on the CNR		
TO (Name and unit) Warren	INITIALS DATE	REMARKS Ingram establishes a precedent which should be carefully watched here		
FROM (Name and unit) Tuttle	REMARKS Should avoid a split sponsorship if at all possible JAB			
PHONE NO.	DATE 8/2/51			

USE OTHER SIDE FOR ADDITIONAL REMARKS

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L. Tuttle

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Re: Transfer of Funds

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7/30/61

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